Today, no one is discreet to describe the benefits and necessity of digitalization in all its epic proportions. Explaining the agile solution space from 3D printing to Augmented Reality it is clearly understood that “digitalization” is already more than a strategic opportunity. It’s a matter of survival!

As the world is changing massively, digitalization is at the top of executive agendas; however 70% of companies do not unleash the full potential of their digital transformation and half of them even fail. Moreover, having quantified the exponential benefits, should encourage executives to make decisive decisions on starting their digital journey sooner rather than later. By doing so they will increase their chances of successfully navigating the key challenges a digital transformation has to offer.

On average, companies with innovative business models are more than 30% more profitable in the long term.
Early adopters of digital business move quickly, leaving organizations with “traditional” business models behind but also new competition is pushing into the markets. Those circumstances and market disruptions themselves force organizations to become more agile and being able to make decisions more quickly.

As more than 80% of companies are already on that journey – but from our experience less than 25% of them have a clear picture of future state - one question seems to remain open: how to manage such a radical change successfully?

Of course, there are no extensive benchmarks available for such a radical transformation, but there are already best practices. We found that companies that survived digitalization are following eight guiding principles.
To enable a successful digital transformation you have to be quick, pragmatic, and aspirational.

Having understood that a strong business case is far more than a combination of individual digital options, these companies create value at lower risk when they combine use cases into an integrated platform. The change takes place most effectively rather bottom-up than top-down, with empowered, agile teams. These teams are learning from small but mature solutions, able to thrive and spread quickly. While leveraging digital technologies, the working mode needs to be more synchronized in order to build a digital platform for future value creation. Ultimately business, operating, and customer models will be transformed into a new digital core which will replace the traditional business, maximizing profitability in the long run.

By 2025, the value-adding logic as well as corresponding demands on organizations and employees will have changed fundamentally. Digitalization will change strategies in core business and therefore drive outsourcing activities, while digital skills and learning concepts will become essential – we have to think and act completely differently.

The Deloitte Digital Factory enables the development of new digital business models. We offer an innovative environment showing integrated solutions for your individual requirements, across all industries. Start your journey by exploring the next level of Manufacturing, Product Development, Sourcing, Planning, and Product Cost Optimization. In this way you can secure your company’s profitability and set a long term growth path while staying tuned for the digital age.
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Issue 05/2018